

# EXHIBIT 30

# The Salt Lake Tribune

## Investigation: Auto parts price-fixing cost consumers millions

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THE ASSOCIATED PRESS

PUBLISHED: MAY 25, 2014 02:50PM

UPDATED: MAY 25, 2014 02:18PM

Washington • An investigation into price-fixing and bid-rigging in the auto parts industry has mushroomed into the Justice Department's largest criminal antitrust probe ever, and it's not over yet.

The investigation, made public four years ago with FBI raids in the Detroit area, has led to criminal charges against dozens of people and companies, stretched across continents and reverberated through an industry responsible for supplying critical car components.

The collusion has also saddled U.S. drivers with millions of dollars in extra costs.

**"It's a very, very safe assumption that U.S. consumers paid more, and sometimes significantly more, for their automobiles as a result of this conspiracy," Brent Snyder, a deputy assistant attorney general in the antitrust division, said in an interview.**

So far, 34 individuals have been charged and 27 companies have pleaded guilty or agreed to do so, the Justice Department says. Collectively, they have agreed to pay more than \$2.3 billion in fines. New cases have arisen with regularity, with Attorney General Eric Holder promising last September that investigators "would check under every hood and kick every tire."

The most recent development came Thursday, when an executive from a Japanese company was charged with conspiring to fix the prices of heater control panels sold to Toyota and with persuading workers to destroy evidence.

Officials say the investigation stands out not just for its scope but also for the cooperation the authorities have received from Japan, Australia and other countries. Despite the challenges of prosecuting foreign nationals, the Justice Department has won guilty pleas from a series of Japanese executives who opted to get their punishment over with rather than remain under indictment in their home countries and subject to career-crippling travel restrictions.

**Though the techniques and strategies sometimes differed, the executives generally carried out the collusion by trading coded emails, meeting at remote locations and destroying documents to avoid paper trails.**

With an eye toward eliminating competition and maximizing profits, they exploited an industry that experts say is in some ways vulnerable to collusion: There are a finite number of purchasers and suppliers, there's steady pressure among companies to cut prices — and car parts, unlike certain products that have a great deal of variability — are generally standardized and homogeneous.

"The firms will just make more money if they're able to reach and stick to an agreement to collectively charge higher prices so that customers can't get them to bid against each other," said Spencer Weber Waller, director of the Institute for Antitrust Consumer Studies at the Loyola University Chicago law school. "The problem is, of course, it's a felony in the United States."

The Justice Department first publicly surfaced aspects of the investigation when FBI agents in Detroit raided the offices of Denso Corp, Yazaki North America and Tokai Rika. All three companies have pleaded guilty to their roles in price-fixing and bid-rigging schemes.

Since the raids, the probe has broadened to encompass about \$5 billion worth of auto parts, including seat belts, ignition coils, steering wheels, air bags, windshield wipers and rubber parts that dampen vibration.

Similar cartels have formed in industries ranging from oil and gas to cement and vitamins, though there's debate among economists about how long they can last, given the constant incentive for one member to cheat the others and the tendency to collapse under their own weight as they keep growing, said Daniel Crane, a University of Michigan law professor.

But the collusion in these cases, which in some instances lasted more than a decade, was "deftly done," said Joe Wiesenfelder, executive editor of Cars.com, who has followed the auto parts investigation.



FILE - This Sept. 26, 2013 file photo shows Attorney General Eric Holder pointing to an illustration of the auto parts industry during a news conference at the Justice Department in Washington. A federal investigation into price fixing in the auto parts industry, made public four years ago with FBI raids in the Detroit area, has mushroomed into the largest antitrust investigation in Justice Department history — and authorities say it's not over yet. (AP Photo/Manuel Balce Ceneta, File)

"If they get too greedy and they make their prices too high, then someone smells a rat," he said. "When they set their prices and fixed their prices, they had to do it in a way that wasn't obvious and that took into account the entire market, including suppliers that weren't involved."

Wiesenfelder said that while the collusion affected car consumers, it's hard to tell how much the investigation has been noticed by the average driver.

"It's kind of abstract to consumers," he said. "It's not that prices were fixed on cars. That would really hit home."

But there are indications the industry is chastened.

For instance, Bridgestone Corp., a tire and rubber company that pleaded guilty this year, announced that it would strengthen its compliance, discipline employees and withhold a portion of compensation from certain board members and executives.

Meanwhile, the Justice Department says it's looking into additional misconduct in an investigation that bears all the hallmarks of classic antitrust law-breaking.

"This one," Snyder said, "has it all."

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